(d) whether it is also a fact that fiscal surpluses of NTPC being frittered away on coal mines and risk fraught investments; and

(e) if so, the steps proposed to re-direct NTPC back to its core competence?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) and (b) NTPC Ltd. has been allocated six coal blocks by the Ministry of Coal under Government dispensation mode and captive mining mode for its power stations. NTPC Ltd. has not purchased, claimed or otherwise acquired any other coal mine. The coal from the allotted coal blocks is to be used at NTPC Ltd.'s power plants and not meant for trading. NTPC Ltd. has no intention to compete with other Public Sector Undertakings operating in the coal mining.

(c) Various diversification initiatives including hydro power, coal mining, power distribution, power trading and gas sourcing etc. were taken up by NTPC. Ltd. for gaining strategic advantages to support its core business of power generation and also to harness the opportunities offered by the market. The said diversifications are part of its strategic initiative of backward and forward integration to become an integrated power utility. Entering into coal mining and other power related areas is necessary for NTPC Ltd. to remain commercially viable and fulfill its vision to be an 'Integrated Power Major' and hence does not translate into moving away from the core competence.

(d) No, Sir. NTPC Ltd. had decided to enter into coal mining area to gain strategic advantage in terms of fuel security (availability, pricing and quality) in the backdrop of increasing gap between demand and supply of coal in the country. This was also part of NTPC Ltd.'s Corporate Plan which was approved by its Board of Directors in January, 2003.

(e) Does not arise in view of (d) above.

**Reduction in Power Tariffs**

†691. SHRI KESHUBHAI S. PATEL: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the problems of the people are increasing constantly due to increasing electricity tariffs in the country;

(b) if so, whether Government would consider to reduce the electricity tariffs in the interest of the consumers; and

(c) if so, to what extent and by when the same would be reduced and if not, the reasons therefore?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) to (c) Determination of power tariffs to be charged by the distribution licensees is the statutory function of the State Electricity Regulatory Commissions (SERCs). In doing so SERCs are guided by the provisions contained in the Electricity Act 2003 which, inter alia, include the factors that would encourage competition, efficiency, economical use of resources, safeguarding of consumers interests and at the same time ensure recovery of cost of electricity in a reasonable manner, reduction of cross subsidies, the National Electricity Policy and the Tariff Policy. The SERCs are required to determine tariff in a transparent way after hearing various stakeholders.

The National Electricity Policy notified under the provisions of the Electricity Act

†Original notice of the question was received in Hindi.

recognized that there is an urgent need for ensuring recovery of cost of service from consumers to make the power sector sustainable.

The Policy provides that a minimum level of support may be required to make the electricity affordable for consumers of very poor category. Consumers below poverty line who consume below a specified level, say 30 units per month, may receive special support in terms of tariff which are cross-subsidized. Tariffs for such designated group of consumers will be at least 50% of the average (overall) cost of supply.

Furthermore, Section 65 of the Electricity Act provides that if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commissions, the State Government shall pay to the concerned utility/licensee the amount required to compensate the grant of subsidy.

**Hydro Electricity Generation Targets in Uttarakhand**

†692. SHRI HARISH RAWAT: Will the Minister of POWER be pleased to state:

(a) the hydro electricity generation target fixed for Uttarakhand under the current Five Year Plan;

(b) the details of power projects to be completed in the State under the present plan; and

(c) the details of power projects to be completed within the Eleventh Five Year Plan and the target fixed there-under?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) A hydro power capacity addition of 3154 MW has been envisaged for Uttarakhand in the current Five Year Plan.

(b) The details of the power projects expected to be completed in the State during the Eleventh Five Year Plan are as under:

Hydro Projects in Uttarakhand likely to give benefit in 11th Plan (2007-12)

| Sl. No. | Name of Projects, Executing Agency, State | Installed Capacity (MW) | Likely year of commissioning |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| **Central Sector** | | | |
| 1. | Koteshwar THDC, Uttarakhand | 400 | 2010-11 |
| 2. | Loharinagpala NTPC, Uttarakhand | 600 | 2011-12 |
| 3. | Tapovan Vishnugad NTPC, Uttarakhand | 520 | 2011-12 |
| 4. | Tehri St-II PSS THDC, Uttarakhand | 1000 | 2011-12 |
| | Sub-Total | 2520 | |

†Original notice of the question was received in Hindi.